

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

LEA MÁRQUEZ PETERSON -Chairwoman
SANDRA D. KENNEDY
JUSTIN OLSON
ANNA TOVAR
JIM O'CONNOR

In the matter of:

Global Capital and Equity LLC, a Colorado
entity

Bret Butler Reiss, a single man

Migranade, Inc., a revoked Nevada entity

and

Charles Hensley, a married man

Respondents.

DOCKET NO. S-21149A-21-0089

**NOTICE OF OPPORTUNITY FOR HEARING
REGARDING PROPOSED ORDER TO CEASE
AND DESIST, ORDER FOR RESTITUTION,
ORDER FOR ADMINISTRATIVE
PENALTIES, AND ORDER FOR OTHER
AFFIRMATIVE ACTION**

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Global Capital and Equity LLC, Bret Butler Reiss, Migranade, Inc., and Charles Hensley, have engaged in acts, practices, and transaction that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

The Division also alleges that Bret Butler Reiss is the control person for Global Capital and Equity LLC within the meaning of A.R.S. § 44-1999(B), so that he is jointly and severally liable under A.R.S. § 44-1999(B) to the same extent as Global Capital and Equity LLC for its violations of the antifraud provisions of the Securities Act.

1 The Division also alleges that Charles Hensley is the control person for Migranade, Inc. within
2 the meaning of A.R.S. § 44-1999(B), so that he is jointly and severally liable under A.R.S. § 44-1999(B)
3 to the same extent as Migranade, Inc. for its violations of the antifraud provisions of the Securities Act.

4 **I.**

5 **JURISDICTION**

6 1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona
7 Constitution and the Securities Act

8 **II.**

9 **RESPONDENTS**

10 2. Global Capital and Equity LLC (“Global”) is a Colorado entity formed on August 21,
11 2012 by Bret Butler Reiss and has an Arizona address.

12 3. Respondent Bret Butler Reiss (“Reiss”) is Global’s sole managing member. At all
13 relevant times Reiss conducted business from Arizona.

14 4. Respondent Migranade, Inc. (“Migranade”) filed as an entity in Nevada on April 25,
15 2016. At all relevant times Migranade conducted business from California.

16 5. Respondent Charles Hensley (“Hensley”) is the president of Migranade. At all relevant
17 times Hensley conducted business from California.

18 6. Respondents Global, Reiss, Migranade, and Hensley may be collectively referred to as
19 “Respondents.”

20 7. At all relevant times, from approximately October 26, 2015 through present the
21 Respondents were not registered by the Commission as dealers or salesmen.

22 **III.**

23 **FACTS**

24 8. From at least October 26, 2015 through June 30, 2016, Global and Reiss, offered for sale
25 and sold stock in Neurocyte, Inc. (“Neurocyte”) to investors. Although Global and Reiss offered stock
26 from October 26, 2015, sales began in January 2016. Global and Reiss received approximately

1 \$444,500 from at least 22 investors related to the sale of Neurocyte stock during the time period of
2 January 11, 2016 and June 30, 2016.

3 9. Respondents Global and Reiss represented that Neurocyte had the rights to an over-the-
4 counter migraine pain reliever medicine called Migranade, which, investors were told, was invented by
5 Respondent Hensley.

6 10. Respondent Hensley offered for sale and sold an investment in Migranade to an Arizona
7 investor on or about February 8, 2017.

8 THE INVESTMENT OFFERINGS

9 GLOBAL'S AND REISS' OFFERING OF THE NEUROCYTE INVESTMENT

10 11. From at least October 26, 2015 through at least June 30, 2016, Global and Reiss, who is
11 an Arizona resident, offered investors an opportunity to invest in Neurocyte, which, investors were told,
12 had the rights to an over-the-counter migraine pain reliever medicine called Migranade.

13 12. Global and Reiss represented that Hensley was the inventor of another over-the-counter
14 medicine called Zicam.¹

15 13. Global and Reiss maintain a website at globalcapitalandequity.com which indicates on
16 its homepage, "Global Capital and Equity, LLC [sic] is an international consulting firm that advises
17 public and private companies, and increases exposure for them to the equity markets and capital markets
18 worldwide. GCE has this web presence to offer such consulting services." The website indicates that
19 Reiss is the President and CEO of Global.

20 14. An Arizona investor met Reiss through an online dating website called
21 millionaireshatch.com in late January or early February 2016.

22 15. Reiss represented to the investor that he owned Global and provided Global's web
23 address so the investor could see his history of working with companies that were involved in financial
24 planning and risk management.

25
26 ¹ Zicam is a trademarked over-the-counter product related to colds, congestion, and allergies and may be purchased in various in person and online stores and pharmacies.

1 16. Global and Reiss said there was an investment opportunity and the investor could
2 purchase stock in Neurocyte. Global and Reiss discussed the investment with the investor.

3 17. Global and Reiss represented that Reiss had assisted many companies in “going public.”

4 18. Global and Reiss represented that Hensley had approached them for assistance with
5 “going public” regarding Hensley’s migraine reliever, “Migranade.”

6 19. Global and Reiss told the investor that the rights to Migranade were owned by Neurocyte
7 and there was a pre-Initial Public Offering (“IPO”) opportunity to buy Neurocyte stock through Reiss.

8 20. Global and Reiss represented that, although the stock was Pre-IPO at the moment, it
9 would be going public in 30-45 days.

10 21. Global and Reiss stated the cost of the stock would be small now compared to what the
11 value would be by the end of the year or even in a few months.

12 22. Global and Reiss represented that the investor would be on “easy street” after purchasing
13 the stock.

14 23. Global and Reiss represented that the minimum purchase was \$25,000 and the investor
15 indicated an inability to invest that amount.

16 24. Global and Reiss stated that if the investor could provide half of the funds, he would see
17 if another investor could make up for the other half.

18 25. Global and Reiss did not inquire as to the investor’s net worth or whether the investor
19 would qualify as an accredited investor. The investor is not an accredited investor.

20 26. Global and Reiss emailed the investor a copy of an engagement agreement between
21 Global and Migranade along with a Neurocyte, Inc. Business Plan Pre-IPO dated January 8, 2016.

22 27. **NeuroCyte, Inc. Business Plan Pre-IPO**

23 A. According to a document titled “NeuroCyte, Inc. Business Plan Pre-IPO” (“Pre-
24 IPO”) January 8, 2016, Neurocyte is a “U.S. based biotechnology company dedicated to the research
25 and development of platform technologies for the production of therapeutics aimed at neurodegenerative
26 diseases.”

1 B. The Pre-IPO states “NeuroCyte, Inc. has acquired the intellectual property for
2 the use of glutathione for the homeopathic treatment and / or prevention of migraines. NeuroCyte has
3 created a robust revenue stream having out-licensed the exclusive rights / patent rights to Migranade,
4 Inc. in exchange for an ongoing royalty fee of 20% of gross revenues from the sales of their product,
5 MIGRANADE ...”

6 C. It further states, “In November 2014, the test launch of the Company’s over-the-
7 counter migraine treatment, MIGRANADE Migraine Relief (NATIONAL DRUG CODE 60916-002-
8 02) proved successful.” The 2016 Pre-IPO indicates that “In the first quarter of 2016, the Company will
9 launch the product with full marketing support and the Company’s entire product line will go public.

10 D. The Pre-IPO indicates Neurocyte will market its products through infomercials,
11 chiro practice [*sic*] offices and a number of retailers.

12 E. It states Neurocyte has “four other blockbuster technologies available for its
13 licensing pipeline.” These include nasal sprays “to treat and abate the progression of Alzheimer’s
14 Disease, Huntington’s Disease, Parkinson’s Disease, and Amyotrophic Lateral Sclerosis.”

15 F. Several charts are provided to reflect the anticipated revenues, including:

16 a. One chart is titled, “MIGRANADE Migraine Relief projected gross
17 revenues and corresponding Neurocytes revenues,” but the column for “Neurocyte” revenues is titled
18 “Discovery” revenues and indicates that between 2016 and 2018, the projected gross revenues for
19 Neurocyte related to professional sales and big box retail sales would be \$810,000,000.

20 b. By the end of 2019, the total gross profits are estimated at
21 \$1,200,000,000.

22 28. On February 18, 2016, the investor wired \$12,500 to an account controlled by Reiss in
23 the name of Global to purchase Pre-IPO stocks in Neurocyte.

24 29. Global and Reiss provided a stock certificate to the investor reflecting 25,000 shares of
25 restricted Neurocyte stock and reflecting “fully paid and non-assessable shares of the capital stock of
26 Neurocyte, Inc.” Further, the stock certificate includes the statement, “Transferable on the books of the

1 Corporation by the holder hereof or by duly authorized attorney, upon proper endorsement and surrender
2 of this certificate. IN WITNESS WHEREOF this Corporation has caused this certificate to be executed
3 by the signature of its duly authorized officers and the seal of this Corporation.”

4 30. Global and Reiss represented that, after the IPO, the investor could move the stock to a
5 new broker, if desired, and have the stock registered. However, the back of the certificate is blank and
6 there is no form for transfer of the stock and no signature line for the owner to sign to complete any
7 transfer.

8 31. Global and Reiss initially told the investor the stock would be purchased from Neurocyte,
9 but later indicated he was reselling his own stock from Neurocyte.

10 32. On or about January 2016, another Arizona resident had also met Reiss through an online
11 dating site and was offered an investment in Neurocyte stock. Global and Reiss represented to the
12 investor that Neurocyte owned the rights to Migranade.

13 33. Global and Reiss provided this investor with a copy of the engagement agreement and
14 represented that they were “all set to go public” and the stock should hit the market at “\$2.50 to \$5.00
15 per share.” Global and Reiss added that this was a “for sure” deal.

16 34. Global and Reiss represented Reiss did not need to be registered to sell Neurocyte stock
17 because it was an exempt offering. Global and Reiss did not tell the investor whether the stock was
18 required to be registered.

19 35. Reiss did not disclose any risks to the investor and stated, “This is a done deal so hurry
20 up and get in on it so you don’t miss out.”

21 36. This investor provided investment funds totaling \$50,000 to the Global bank account
22 controlled by Reiss. The investor understood that the money would be used to help with the development
23 of the Migranade product and to fund the stock to go public.

24 37. This investor received a stock certificate for 200,000 shares of Neurocyte stock. The
25 back of the stock certificate was blank and there is no form for transfer of the stock and no signature line
26 for the owner to sign to complete any transfer.

1 38. On or about February 2016, one Arizona investor learned of the investment through a
2 friend, who had invested in Neurocyte stock. Reiss sent an email to the investor stating, "I was selling
3 stock at .75 but now it's \$1.00 per share and I do have some parties wanting to take the remaining 950k
4 shares at that price." Global and Reiss stated, "I will be more than happy to sell you 20,000 shares at the
5 old price of .75 per share but I need to hear back soon."

6 39. Global and Reiss provided a stock purchase agreement, which was signed by Reiss as
7 the seller and the investor as the purchaser. The stock purchase agreement indicated that 10,000 shares
8 of restricted stock in "Migranade, Inc./NeuroCyte, Inc." for the purchase price of \$7,500, but indicating
9 the price per share of the stock as \$1.00. The governing law section of the agreement indicated, "This
10 Agreement shall be governed by and construed in accordance with the laws of the State of Arizona."
11 The investor received a stock certificate and the back of the certificate was blank and there is no form
12 for transfer of the stock and no signature line for the owner to sign to complete any transfer.

13 40. Global and Reiss also provided the Migranade study, the Neurocyte, Inc. Business Plan
14 Pre-IPO and the engagement agreement to the investor. The Migranade study includes a statement that
15 Migranade had been tested on 10 migraine sufferers whose pain levels prior to taking Migranade ranged
16 from 8-10. The study reports that after 5-30 minutes, all participants reported a pain level of 0. All
17 participants reported no side effects were present.

18 41. Global and Reiss stated to some investors that he was given shares of stock in Neurocyte
19 and Reiss represented that he also invested \$100,000 of his own money.

20 42. Global and Reiss represented to some investors that the stock was his personal stock
21 and that he needed to "divest" his personal shares so that the company could "go public."

22 43. Global and Reiss frequently created a sense of urgency to purchase the Neurocyte stock.

23 44. During an early offer to invest on October 26, 2015, Global and Reiss sent an investor
24 an email from which read, "They only have 280k shares left to sell at .50 so let me know how many you
25 want and I can have them held for you. You should even share this with your friends and family as I did.
26

1 The merger should be completed within about 2 weeks and the .50 stock will be gone as they want to
2 open at over \$1.50 per share. Please advise.”

3 45. On or about February 2016, Global and Reiss solicited investors for investments in
4 Neurocyte stock at a seminar for marketers held in Tennessee. At least three people listened to Global
5 and Reiss’s promotion of the Neurocyte investment and invested in the stock.

6 46. Global and Reiss represented to one investor “a lot of folks have been wanting this stock
7 and we went through a bunch of it today” and “I imagine I will be out of that million” by the “end of the
8 week” and offered to hold back \$300,000 worth of shares for the investor and any of the investor’s
9 friends who might wish to invest.

10 47. Global and Reiss advised that if the investor knew of any others who wanted to invest,
11 the investor should have them call him.

12 48. Some Neurocyte investors were told their funds could be pooled with that of another
13 investor so each could pay part of the investment.

14 49. Investors sent the investment money to an account in the name of Global and controlled
15 by Reiss.

16 50. Global and Reiss represented to at least one investor that there were two other products
17 that Neurocyte was working on, including an energy enhancing product for athletes.

18 51. Global and Reiss represented to some investors that the stock was going public soon. In
19 January 2016, Global and Reiss told an Arizona investor that Neurocyte was “all set to go public” and
20 it would be going public “really soon.” In February 2016, Global and Reiss stated to another Arizona
21 investor that Neurocyte would be going public in 30-45 days. On December 26, 2016, Global and Reiss
22 sent an email to another investor stating the stock, “hasn’t gone public yet” but the Reg D filing with the
23 SEC “should be soon” and he was sure that a shareholder announcement would be coming soon.

24 52. Global and Reiss indicated in emails to investors that they should “Forward this email to
25 any friends and family of yours as well as the attached combined study. Since the opening of the movie
26 ‘Concussion’, the producer of that movie has been training with ex-football player Darren Willis

1 https://en.wikipedia.org/wiki/Darren_Willis who himself suffered 2-3 headaches per week. Dr [sic]
2 Hensley had suggested to him to take Migranade once a day for a month, which he did and apparently
3 as in the study his migraines have stopped. Because this has changed his life he is having his agent
4 contact the NFL as well as Will Smith for an endorsement and utilization of Migranade. The NFL
5 Players Association has over 5200 members who are all accredited investors and they all have a potential
6 personal interest in this product. It's all very exciting."

7 53. Information received from the National Football League Players Association
8 ("NFLPA") indicates it has no knowledge of the Migranade product, that the number of NFLPA
9 Members mentioned in the email is not accurate and the NFLPA has no knowledge of its members'
10 status as "accredited investors."

11 54. An attorney for Will Smith indicates that Will Smith has not agreed to endorse
12 Migranade.

13 55. Within or from Arizona, Global and Reiss received approximately \$444,500 from at
14 least 22 investors related to the sale of Neurocyte stock between January 11, 2016 and June 30, 2016.

15 56. A review of Global and Reiss's bank records does not reflect that any investment
16 funds went to Neurocyte or Migranade.

17 57. A review of Global and Reiss's bank records reflects that Global and Reiss received
18 funds from investors into an account he controlled and at least some of the investors' funds were
19 used for the personal use and benefit of Reiss.

20 58. Global and Reiss misrepresented to investors that Neurocyte would be going public
21 soon and that it would be going public within 30-45 days. Neurocyte is not a public company as of
22 this day.

23 59. Global and Reiss misrepresented to investors that the NFLPA would be solicited to be
24 involved in an investment with Neurocyte related to Migranade when the NFLPA indicates it has no
25 knowledge of the Migranade product, the number of NFLPA Members is not accurate and the NFLPA
26 has no knowledge of its members' status as "accredited investors."

60. Global and Reiss failed to disclose to investors that Reiss and an entity controlled by Reiss, World Stock Exchange, LLC (“WSE”), were sued in an action titled *CanTex Energy Corp. v. World Stock Exchange LLC and Brett Reiss*, Civ. No. SA-09-CA-0218-XR (2009), which relates to Reiss’s offer to raise funds for CanTex Energy Corp. (“CanTex”) by introducing CanTex to wealthy investors and performing services to raise CanTex’s share price. CanTex never received any work product from Reiss and WSE, never received a single investment in the company due to Reiss and WSE’s efforts, nor an appreciable rise in its share price. The case was disposed of by agreed settlement.

GLOBAL’S AND REISS’S CORONAVIRUS INVESTMENT OFFERING

61. In February 2020, Reiss telephoned one of the Neurocyte investors (“Offeree”) regarding a new investment that Global and Reiss represented also involved one of Hensley’s products.

62. Global and Reiss represented that Hensley had invented a cure for the “influenza” that has affected China and has an entity in China to buy the product.

63. Global and Reiss indicated that the Offeree could double a \$3,000,000 investment by investing in the cure.

64. Global and Reiss texted the Offeree that for “a \$6mm investment for approx. 30 days for a return of your \$6mm plus \$20mm to be paid first to investor and lastly to Dr. Henley [*sic.*].”

65. Global and Reiss represented, “We need about six million dollars” and that “we” can turn that “back to you within about 20, 30 days” and “make about twenty million on top of that.”

66. Global and Reiss told the Offeree that the Offeree would receive about “ten million” of the anticipated twenty million dollars in return.

67. Global and Reiss represented, “All the investors in Neurocyte will be made whole with maybe four or five times their money.” Reiss further stated, “There is really no risk at all” and “We gotta kinda act on it pretty quickly.”

68. In a voicemail to the Offeree, Reiss states his name and that he is calling from Arizona.

69. The Offeree declined the opportunity to invest in Hensley's cure for the Coronavirus.

70. Prior to this offer, Reiss had stated to at least one Neurocyte investor that Hensley had been stalling on going public and that Hensley was going to sell the Migranade company. Additionally, Reiss had stated to the same investor that Hensley had used investor money for personal expenses. Reiss did not disclose this information to the Offeree.

MIGRANADE'S AND HENSLEY'S OFFERING OF THE MIGRANADE INVESTMENT

71. At least one Arizona investor invested in shares of Migranade directly through Hensley.

72. In January 2017, the investor began attempting to contact Hensley.

73. The investor connected with Hensley and relayed concerns about the investment in Neurocyte stock related to Migranade offered for sale and sold by Reiss.

74. Migranade and Hensley stated that he had considered using Reiss to help with the IPO a couple of years before, but that plan had fallen through, and that Reiss was not currently a part of the IPO plans.

75. Migranade and Hensley stated that Reiss was "scamming" people and that he had been previously contacted by another investor who indicated that Reiss had also sold them stock.

76. Migranade and Hensley represented he would fix the problem Reiss created.

77. Migranade and Hensley offered to sell shares of stock in Migranade to the investor.

78. Migranade and Hensley told the investor that Migranade would go public in or around 12 months.

79. Migranade and Hensley did not inquire as to the investor's net worth or whether the investor would qualify as an accredited investor. The investor is not an accredited investor.

80. Migranade and Hensley provided a document to the investor which indicated it was written by the EMCO/Hanover Group and titled "Fair Market Value Opinion of Migranade, Inc. as of April 30, 2016."

1 81. The document indicates “Fair Market Value (FMV) that should be assigned to
2 Migranade, Inc. at April 30, 2016 is: \$53,765,250 or \$4.48 per share based on the current 12 million
3 shares outstanding.”

4 82. The document states, “EMCO/Hanover has relied totally on management’s estimates
5 below and expresses no opinion thereon, given management’s experiences with prior retail companies
6 and their then relationships.”

7 83. The investor wired \$8,000 to a bank account in the name of Migranade and controlled
8 by Hensley and the investment funds posted on February 8, 2017.

9 84. After wiring the funds, the investor received the subscription agreement on February 16,
10 2017 reflecting 2,000 shares at \$4.00 per share of Migranade.

11 85. The agreement states that the purchaser accepts all economic risk, but Migranade and
12 Hensley did not discuss any risks with the investor.

13 86. On March 9, 2017, Migranade and Hensley sent a text to the investor stating, “Some
14 good news. Your shares have appreciated. The share price for Migranade stock will be \$6.00 per share
15 as of this coming Tuesday. That’s March 14th. Please let anyone else who may be contemplating
16 investing that it’s \$6.00 and not \$4.00. At least probably after this Friday the 10th.”

17 87. The investor repeatedly requested a stock certificate from Hensley, but never received a
18 stock certificate to evidence the investment from Migranade and Hensley.

19 88. By at least July 10, 2017, the investor repeatedly requested the investment funds be
20 refunded and stated that the contract had been breached. Hensley responded to the investor reflecting
21 his willingness to unwind the investment, and even texted, “In a meeting right now but I did cancel the
22 shares and after-wards [*sic*] I put the order for your checks with the controller. I will ask him when to
23 ex-pect [*sic*] them to be cut.” Migranade and Hensley did not send any checks to the investor and did
24 not provide a refund.

25 89. Migranade and Hensley sent emails to the investor offering to issue stocks in his new
26 company, Desilu Studios, as a substitute for the stocks the investor would have received in Migranade.

1 Migranade and Hensley represented that Desilu Studios² was working on “Matrix 4” and offered to send
2 a copy of the script to the investor, but the investor never received the script nor the stock. Migranade
3 and Hensley also discussed employing the investor in a sales and marketing position related to a movie.

4 90. On February 1, 2017, Hensley opened a bank account ending 4093 in the name of
5 Migranade, Inc. and deposited \$100 into the account.

6 91. Hensley was the sole signatory for the Migranade account ending 4093.

7 92. On February 2, 2017, Hensley withdrew \$80 and, on February 6, 2017, he withdrew \$20
8 from the Migranade account.

9 93. On February 8, 2017, the Arizona investor wired \$8,000 to the Migranade account
10 ending in 4093 and indicated it was for Migranade stock which the investor never received.

11 94. On February 13, 2017, an out-of-state investor wired \$10,000 to the Migranade account
12 ending in 4093 bringing the total balance to \$18,000.

13 95. On February 13, 2017, Hensley, using funds from the Migranade account ending in
14 4093, purchased three flights on Virgin Airlines totaling \$992.20.

15 96. Between February 14, 2017 and February 24, 2017, Hensley, using funds from the
16 Migranade account ending in 4093, purchased a stay at the Wynn Las Vegas Hotel totaling \$8,910.65.

17 97. By February 24, 2017, Hensley’s account balance for the Migranade account ending
18 4093 was negative \$4,489.82.

19 98. The Migranade account remained negative until the account was “force closed” on June
20 22, 2017.

21 99. On May 20, 2011, Hensley was indicted in *U.S. v. Hensley*, Case No. 2:11-cr-
22 00455 (2011), related to his delivery of an unapproved new drug into interstate commerce by

23 ² On October 30, 2018, just 19 days after Hensley sent an email to the investor regarding possible employment at
24 Desilu Studios, CBS Studios INC. filed suit against Desilu Studios, Inc., Desilu Corporation and Charles Hensley for
25 Trademark Infringement and Cybersquatting and seeking declaratory relieve and cancellation of registration. *See CBS*
26 *Studios INC. v. Desilu Studios, Inc., Desilu Corporation, and Charles Hensley*, Case No.: 2:18-cv-09309-AG-E (2018).
The matter was settled by a default judgment against Desilu Studios, Inc., Desilu Corporation, and Charles Hensley on
May 6, 2019. The court ordered that the Desilu domain names were to be transferred to the plaintiffs, Defendant’s
Desilu companies should be dissolved, a permanent injunction against the use of CBS’s Desilu mark by defendants be
imposed, and the defendants pay the costs of the action and reasonable attorney’s fees.

1 directing a shipment from Hong Kong to customers in the United States of a product called “Vira
2 38” with labels claiming that Vira 38 was for the “Prevention and Treatment of Influenza.” Hensley
3 failed to indicate that the medicine was for use only by prescription. On May 12, 2012, Hensley
4 pleaded guilty and was ordered to pay a \$5,000 fine and be placed on probation for a term of three
5 years.

6 **IV.**

7 **VIOLATION OF A.R.S. § 44-1841**

8 **(Offer or Sale of Unregistered Securities)**

9 100. From on or about October 26, 2015 through at least June 30, 2016, Respondents Global
10 and Reiss offered or sold securities in the form of stock in Neurocyte, within or from Arizona.

11 101. On or about February 9, 2020, Respondents Global and Reiss offered or sold securities
12 in the form of an investment contract related to a cure for the Coronavirus, within or from Arizona.

13 102. From on or about February 6, 2017 through at least February 8, 2017, Respondents
14 Migranade and Hensley offered or sold securities in the form of stock in Migranade, within or from
15 Arizona.

16 103. The securities referred to above were not registered pursuant to Articles 6 or 7 of the
17 Securities Act.

18 104. This conduct violates A.R.S. § 44-1841.

19 **V.**

20 **VIOLATION OF A.R.S. § 44-1842**

21 **(Transactions by Unregistered Dealers or Salesmen)**

22 105. Respondents offered or sold securities within or from Arizona while not registered as
23 dealers or salesmen pursuant to Article 9 of the Securities Act.

24 106. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

107. In connection with the offer or sale of securities within or from Arizona, Respondents directly or indirectly: (i) employed a device, scheme, or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts that were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, the following:

GLOBAL AND REISS

A. Global and Reiss did not disclose to investors that Reiss had a prior lawsuit titled *CanTex Energy Corp. v. World Stock Exchange LLC and Brett Reiss*, Civ. No. SA-09-CA-0218-XR (2009), which relates to Reiss's promise to raise funds for CanTex Energy Corp. ("CanTex") by introducing CanTex to wealthy investors and perform services to raise CanTex's share price when CanTex never received any work product from Reiss and WSE, never received a single investment in the company due to Reiss and WSE's efforts, nor an appreciable rise in its share price.

B. Global and Reiss misrepresented to investors that Darren Willis' agent would contact the NFL as well as Will Smith for an endorsement and utilization of Migranade and that the NFL Players Association has over 5200 members who are all accredited investors and they all have a potential personal interest in this product which was a misrepresentation when the NFLPA indicates it has no knowledge of the Migranade product and the number of NFLPA Members is not accurate and the NFLPA has no knowledge of its members' status as "accredited investors."

C. Global and Reiss misrepresented to the Offeree of the investment in Hensley's Coronavirus cure (the "Offeree") that there was a sense of urgency in making the investment.

1 D. Global and Reiss misled the Offeree by stating “All the investors in Neurocyte
2 will be made whole with maybe four or five times their money” and “There is really no risk at all”
3 which is misleading since:

4 (i) The investment is speculative and involves a high degree of risk, including
5 the loss of the entire investment.

6 (ii) Neurocyte had not yielded revenue to the investors.

7 (iii) Neurocyte had not become a public company.

8 (iv) There is no assurance that Neurocyte would generate significant revenues
9 if and when it went public.

10 E. Global and Reiss did not disclose to the Offeree that Global and Reiss had told
11 Neurocyte investors that Hensley had been stalling on going public with Migranade, was going to sell
12 the Migranade company and that Hensley had used investor funds for personal use.

13 **MIGRANADE AND HENSLEY**

14 F. Migranade and Hensley did not disclose that, on May 20, 2011, Hensley was
15 indicted in *U.S. v. Hensley*, Case No. 2:11-cr-00455 (2011), related to his delivery of an
16 unapproved new drug into interstate commerce by directing a shipment from Hong Kong to
17 customers in the United States of a product called “Vira 38” with labels claiming that Vira 38 was
18 for the “Prevention and Treatment of Influenza.” Hensley failed to indicate that the medicine was
19 for use only by prescription. On May 12, 2012, Hensley pleaded guilty and was ordered to pay a
20 \$5,000 fine and was placed on probation for three years.

21 G. Migranade and Hensley misrepresented that Migranade would go public
22 within 12 months of the investor’s investment and Migranade has never gone public.

23 H. Migranade and Hensley misrepresented to the investor that shares of
24 Migranade stock had appreciated from \$4.00 a share to \$6.00 when the stock was not being publicly
25 traded so that any appreciation would have been as a result of internal appreciation by Migranade
26 and Hensley.

I. Migranade and Hensley did not disclose he would use the investor's funds for personal use.

108. This conduct violates A.R.S. § 44-1991.

VII.

CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

109. From at least August 21, 2012 through at least December 1, 2016, Reiss has been and/or held himself out as the sole managing member of Global.

110. From at least August 21, 2012 through at least December 1, 2016, Reiss directly or indirectly controlled Global within the meaning of A.R.S. § 44-1999. Therefore, Reiss is jointly and severally liable to the same extent as Global for its violations of A.R.S. § 44-1991 from at least August 21, 2012 through at least December 1, 2016.

111. From at least April 25, 2016 through April 30, 2018, Hensley has been and/or held himself out as the president of Migranade.

112. From at least April 25, 2016 through April 30, 2018, Hensley directly or indirectly controlled Migranade within the meaning of A.R.S. § 44-1999. Therefore, Hensley is jointly and severally liable to the same extent as Migranade for its violations of A.R.S. § 44-1991 from at least April 25, 2016 through April 30, 2018.

VIII.

REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;

2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;

3. Order Respondents to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order that Respondents be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action.

5. Order any other relief that the Commission deems appropriate

IX.

HEARING OPPORTUNITY

Each respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If a Respondent requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearing>.

If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission may, without a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for Hearing.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation. Additional information about the administrative action procedure may be found at <http://www.azcc.gov/securities/enforcement/procedure>.

X.**ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if a Respondent requests a hearing, the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/hearing>.

Additionally, the answering respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to Wendy Coy.

The Answer shall contain an admission or denial of each allegation in this Notice and the original signature of the answering respondent or respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the answering respondent intends in good faith to deny only a part or a qualification of an allegation, the respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

Dated this 23rd day of April, 2021.

/s/

Mark Dinell
Director of Securities